

Selected Data on the Operations of U.S. Affiliates of Foreign Companies, 1977

THIS article presents data for 1977 from a new annual sample survey on the operations of U.S. affiliates of foreign companies.¹ The data cover affiliates' balance sheets and income statements, selected financial data by transactor, landownership, plant and equipment, employment and employee compensation, merchandise trade, and research and development expenditures. Estimates of growth for 1974-77 for a number of key items are also presented; 1974 data were from BEA's last benchmark survey of foreign direct investment in the United States.

These data supplement those on the foreign direct investment position and related international transactions that are published annually, usually in the August issue of the *SURVEY OF CURRENT BUSINESS*.² The August articles focus on the relationship between U.S. affiliates and their foreign parents and cover the foreign parents' transactions and positions with their U.S. affiliates. This article focuses on the operations of the U.S. affiliates themselves, including their transactions and positions with

persons other than their foreign parents. For example, the direct investment position, as shown in the August articles, is equal to foreign parents' equity in and net outstanding loans to their U.S. affiliates; U.S. affiliates' total assets, as shown in this article, are equal to the sum of total owners' equity held by both foreign parents and all other persons and total liabilities owed to both foreign parents and all other persons.

Highlights of this article are:

- In terms of most measures, such as employment and landownership, U.S. affiliates accounted for a small share of the total U.S. economy. Their share of total U.S. merchandise trade, however, was relatively large.
- U.S. affiliates' assets were \$131.5 billion at yearend 1977. Almost three-fourths of the total was accounted for by affiliates with parents in the Netherlands, Canada, the United Kingdom, Germany, and Japan. By industry, 80 percent was accounted for by affiliates in manufacturing, wholesale trade, petroleum, and insurance.
- U.S. affiliates' liabilities were \$90.7 billion. Over 80 percent of both their current liabilities and long-term debt were to U.S. persons.
- The gross book value of affiliates' land was \$7.9 billion. Affiliates owned 5.6 million acres and leased 28.8 million acres. By State, affiliates owned the largest number of acres in Tennessee, Nevada, Colorado, Wisconsin, and New Mexico. Land used for agricultural purposes accounted for 3.1 million of the acres owned and 1.6 million of the acres leased.
- Affiliates employed 1,122,207 persons. Their employment was largest

in New York, California, and New Jersey. Manufacturing affiliates' employment was largest in the same three States.

- For manufacturing affiliates, the hourly wage rate of production workers was \$5.81.
- There was considerable variation in growth in the key items examined. For example, employment of affiliates grew at an annual rate of about 3 percent, while employee compensation grew at an annual rate of 13.2 percent.

The article is organized as follows: The first section describes the sample and its relationship to the affiliate universe and to all U.S. businesses. The second briefly discusses the distribution of total assets by country of foreign parent and by industry of affiliate, and presents additional data for selected items by country of foreign parent. All of the remaining sections except the last focus on data disaggregated by industry of affiliate; three of these—those that cover landownership, plant and equipment, and employment—discuss data disaggregated by State and region as well. The last section briefly discusses growth for 1974-77 for a number of key items.

The Sample

The sample for the 1977 survey consists of affiliates—other than banks—that had total assets, sales, or net income greater than \$5 million or that owned 200 or more acres of U.S. land in 1977.³ For such affiliates, reporting was

NOTE.—The survey was conducted under the supervision of James L. Bomkamp, Chief, Direct Investment in the United States Branch, International Investment Division. Beverly A. Paeser was project leader for editing and processing the survey forms. Arnold Gilbert and Richard Mauery designed the computer programs for data retrieval and analysis.

1. A U.S. affiliate is a U.S. business enterprise in which a foreign person had a direct or indirect interest of 10 percent or more. Because foreign owners are usually business enterprises, they are referred to as "companies," although the legal term "person" also includes individuals, estates, trusts, governments, or other organizations.

2. See, for example, Gregory G. Feuch and L. A. Lupo, "Foreign Direct Investment in the United States in 1976," in the August 1979 issue of the *SURVEY OF CURRENT BUSINESS*.

3. Balance sheets and related financial data on U.S. bank affiliates are collected by the Federal Reserve System. See "Monthly Report of Conditions for U.S. Agencies, Branches, and Domestic Banking Subsidiaries of Foreign Banks," Board of Governors of the Federal Reserve System.

Table 1.—Total Assets of U.S. Affiliates at Yearend 1977¹

(Millions of dollars)

	All areas	Developed countries									Developing countries		
		Total	Canada	France	Germany	Netherlands	United Kingdom	Switzerland	Japan	Other	Total	Latin America	Other
All industries	131,539	118,334	19,839	3,739	26,439	25,534	19,939	7,499	15,533	7,713	53,173	11,597	1,345
Agriculture and forestry ²	799	408	35	10	29	24	76	(b)	(b)	173	297	394	8
Fishing	3,334	(b)	1,879	83	121	(b)	(b)	(b)	0	28	(b)	(b)	0
Manufacturing	28,334	24,700	1,709	(b)	(b)	18,998	708	89	607	1,657	1,128	1,124	4
Wholesale trade	37,934	33,097	6,298	2,079	8,935	4,993	6,402	3,972	1,971	1,788	5,178	3,908	271
Retail trade	37,708	26,617	1,254	2,190	2,878	2,086	5,072	1,923	12,649	2,215	2,091	1,897	194
Finance, except banking	3,474	3,034	(b)	(b)	(b)	(b)	(b)	(b)	87	165	440	(b)	(b)
Insurance	7,283	6,876	799	(b)	285	216	1,089	78	41	(b)	407	106	211
Real estate and combined offices	14,744	(b)	5,815	(b)	265	770	5,362	1,745	117	423	(b)	(b)	(b)
Other	4,603	2,861	1,115	0	(b)	649	442	(b)	279	52	1,501	1,047	454
	3,723	3,194	(b)	(b)	70	374	(b)	223	(b)	(b)	531	363	169

¹ Suppressed to avoid disclosure of data of individual companies.
² Excludes banks.

³ Fisheries are included in "other."

mandatory under the International Investment Survey Act of 1976. In BEA's surveys, U.S. affiliates are required to report on a consolidated basis; the consolidation for a given affiliate has to include all other affiliates owned more than 50 percent by that affiliate. Over 1,900 reports were filed with BEA; they cover approximately 5,800 U.S. affiliates.

The report of a consolidated enterprise may cover operations in more than one industry. Where this is the case, the enterprise is classified in the single industry in which its sales are largest. Thus, the industry classification of the enterprise is not necessarily indicative of the full range of activities it conducts.

Data in this article cover only affiliates in the sample, that is, the data have not been expanded to universe levels. However, data for affiliates in the sample accounted for almost all of the data for the universe of all U.S. affiliates. This is indicated by a comparison, based on BEA's 1974 benchmark survey of foreign direct investment in the United States, of 1974 data for the sample with 1974 data for the universe.⁴ After adjust-

ment for differences in coverage and definition between the 1974 and 1977 surveys, the data show that affiliates in the sample accounted for 93.5 percent of the total assets of the 1974 universe. The percentages were also high for other key items. (See technical note.)

Because the sample accounts for such a large portion of the affiliate universe, comparison of sample data with all-U.S. data for 1977 gives a good indication of the economic significance of U.S. affiliates relative to the total U.S. economy. By most measures, affiliates were small relative to the economy. For example, affiliates had 1.1 million employees, about 2 percent of the 67.8 million employees of all U.S. businesses (except banks); they owned 5.6 million acres of land, less than one-half of 1 percent of the 1,947.2 million privately owned acres in the United States. However, affiliates accounted for a relatively large share of total U.S. merchandise trade. Their exports, at \$24.1 billion, were 20 percent of the \$120.8 billion of total U.S. exports; their imports, at \$42.5 billion, were 23 percent of the \$151.7 billion of total U.S. imports.⁵ Affiliates' share of exports was large because several wholesale trade companies that had large grain exports were U.S. affiliates. Their share of imports was large because affiliates were relatively heavily concentrated in two wholesale trade industries—motor vehicles and metals and minerals—that accounted for a substantial portion of total U.S. imports.

Country by Industry Distribution

Total assets of U.S. affiliates in the sample were \$131.5 billion at yearend 1977 (table 1). Almost three-fourths of these assets were accounted for by affiliates with parents in five countries—the Netherlands, Canada, the United Kingdom, Germany, and Japan. Affiliates with parents in the Netherlands had the largest share—23 percent of the total.

Affiliates with parents in all developed countries combined accounted for 90 percent of total assets; those with parents in developing countries accounted for the remainder. For the developing countries, total assets were largely accounted for by affiliates with Latin American parents, particularly parents in the Netherlands Antilles, the Bahamas, Bermuda, and Panama (table 2).

4. Benchmark data were published in U.S. Department of Commerce, *Foreign Direct Investment in the United States: Report of the Secretary of Commerce to the Congress in Compliance with the Foreign Investment Study Act of 1974*, (Public Law 93-478), Vol. 2, April 1976, and in "Benchmark Survey of Foreign Direct Investment in the United States, 1974," "Employment and Employee Compensation of U.S. Affiliates of Foreign Companies, 1974," and "Gross Product of U.S. Affiliates of Foreign Companies" in the May 1974, December 1975, and January 1976 issues of the Survey, respectively.

5. Employment for all U.S. businesses (except banks) is from national income and product account table 3.7 in the July 1979 Survey. For the above comparison of employment and for comparisons later in the article of employment and employee compensation, all U.S. employment (employee compensation) is equal to the U.S. total less employment (employee compensation) for households, governments, and government enterprises. To improve comparability, employment (employee compensation) for banks are excluded from the all-U.S. business total. All-U.S. landownership data are from table 1 in James A. Lewis, *Land Ownership in the United States, 1974*, Agriculture Information Bulletin No. 436, U.S. Department of Agriculture Economics, Statistics, and Cooperative Service, Washington, D.C., April 1980. Privately owned land consists of land owned by individuals, groups of individuals, or legal entities such as trusts, estates, and corporations. It excludes land owned by Federal, State and local governments, and Indian lands managed in trust by the Bureau of Indian Affairs. Total U.S. merchandise trade is from International Transactions accounts table 1 in the June 1979 Survey.

In classifying data by country of foreign parent, BEA uses the country of the first company outside the United States in a foreign chain of ownership. In some instances, the country of the first company differs from that of the ultimate (beneficial) owner. In particular, a large portion of the total assets of affiliates with parents in the Netherlands Antilles, the Bahamas, Bermuda, and Panama, and a smaller portion of the total assets of affiliates with parents in the Netherlands and Switzerland, represent investments owned beneficially by residents of other countries.

Over 80 percent of total assets were accounted for by four of the ten major industries shown in table 1—manufacturing (29 percent), wholesale trade (21 percent), petroleum (20 percent), and insurance (18 percent). Within each

of these industries, the distribution by country of foreign parent was highly concentrated, particularly in petroleum and insurance. In petroleum, affiliates with parents in the Netherlands accounted for almost three-fourths of total assets. In insurance, affiliates with parents in Canada, the United Kingdom, and Switzerland accounted for over three-fourths of the total. Five countries accounted for over three-fourths of total assets in both manufacturing and wholesale trade. In manufacturing, the five countries (ranked by size) were Germany, the United Kingdom, Canada, the Netherlands, and Switzerland. In wholesale trade, they were Japan, Germany, France, the United Kingdom, and the Netherlands. Japanese-owned affiliates alone accounted for 43 percent of total assets in wholesale trade.

Balance Sheet

The balance sheet for U.S. affiliates at yearend 1977 is presented in table 3. Of total assets of \$131.5 billion, net fixed assets were \$42.0 billion, or 32 percent. Trade accounts and notes receivable were 19 percent, inventories 17 percent, and investments 13 percent of the total. (Investments are mainly affiliates' security holdings and equity in unconsolidated businesses.)

Among industries, the composition of total assets largely reflects industry characteristics. For example, in goods-producing industries that require relatively large amounts of capital (such as petroleum, mining, and manufacturing), or in industries where landownership is significant (such as real estate and

Table 2.—Selected Data of U.S. Affiliates for 1977, by Country of Foreign Parent¹

	Consolidated affiliates	Employment ²	Employee compensation	Total assets	Fixed assets, net	Sales ³	Merchandise exports	Merchandise imports	Land and mineral rights owned		Land and mineral rights leased	
									Total	Agricultural ⁴	Total	Agricultural ⁴
	Number			Millions of dollars				Thousands of acres				
All countries.....	1,827	1,122,207	17,458	281,539	63,616	181,773	24,195	42,841	5,689	3,062	23,847	1,437
Developed countries.....	1,449	869,887	15,282	218,364	37,879	167,348	21,774	48,525	5,062	2,409	27,595	1,315
Canada.....	265	150,526	2,403	18,889	6,237	17,001	750	3,428	1,408	785	9,389	(D)
Europe.....	1,055	742,504	11,913	82,061	29,487	101,348	10,036	20,898	3,504	1,822	18,521	(D)
European Communities (D).....	780	634,204	10,117	72,124	27,455	88,702	9,788	17,056	3,058	1,812	17,789	(D)
Belgium and Luxembourg.....	25	15,550	215	3,424	1,061	3,488	144	1,247	(D)	(D)	(D)	(D)
France.....	100	60,771	1,049	8,728	1,806	14,823	(D)	1,864	23	20	(D)	(*)
Germany.....	380	131,160	1,835	18,420	3,417	14,490	444	4,078	155	23	(D)	(*)
Italy.....	17	2,980	46	506	207	587	(D)	80	(D)	(D)	1	0
Netherlands.....	129	187,893	2,413	20,624	17,249	28,267	1,374	0,847	725	(D)	12,674	2
Denmark and Ireland.....	34	7,783	90	351	94	845	(D)	287	(D)	(D)	(D)	0
United Kingdom.....	261	284,119	3,952	10,030	3,906	26,423	1,283	3,370	1,220	812	(D)	0
Other Europe.....	269	108,900	1,607	9,949	2,046	12,845	899	3,034	485	221	741	(D)
Sweden.....	26	24,283	206	1,898	354	3,068	123	1,157	5	4	(D)	0
Switzerland.....	140	80,613	1,241	7,408	1,487	9,326	728	1,094	213	24	(D)	(D)
Other.....	83	8,428	60	564	287	427	18	173	159	186	(D)	0
Japan.....	220	66,174	921	15,513	1,889	48,878	10,418	10,880	84	18	2	1
Australia, New Zealand and South Africa.....	18	4,659	56	931	37	437	1	243	2	2	(*)	0
Developing countries.....	378	182,364	2,176	13,175	4,346	14,427	2,391	1,983	578	474	964	326
Latin America.....	219	143,410	2,058	11,897	4,023	13,468	2,391	1,890	550	453	(D)	320
Panama.....	46	11,711	183	1,138	205	1,851	115	290	34	19	(D)	(D)
Bahamas.....	27	0,596	113	1,502	623	885	(D)	363	44	(D)	(D)	0
Bermuda and British Islands, Caribbean.....	44	29,982	480	3,507	723	2,700	182	625	20	28	(D)	(D)
Netherlands Antilles.....	71	89,843	1,283	4,877	1,979	7,974	(D)	403	408	286	296	226
Other.....	24	3,798	62	823	51	740	104	228	24	(D)	4	4
Other developing.....	59	8,946	128	1,388	326	888	120	294	28	21	(D)	8
Israel.....	8	519	(D)	288	(D)	181	(D)	(D)	(D)	0	(D)	0
Other Middle East.....	19	1,568	(D)	520	224	87	(D)	8	(D)	(D)	(D)	0
Other Africa, Asia, and Pacific.....	22	7,378	98	570	(D)	698	94	(D)	(D)	(D)	(D)	0
Addendum: OPEC ⁵	25	4,223	54	718	256	319	(D)	(D)	25	8	4	4

¹ Less than 500 acres.

² Suppressed to avoid disclosure of data of individual companies.

³ Includes banks.

⁴ Average number of full-time and part-time employees.

⁵ Includes returns, discounts, allowances, and sales and excise taxes.

⁶ Exports are valued f.o.b. at the U.S. port of exportation; imports are valued l.o.b. at the foreign port of exportation. The data are classified by country of the U.S. affiliate's foreign parent, not by the destination of the exports or the origin of the imports, i.e., exports or imports shown for a particular country may not be destined for or have originated from that country.

⁷ Consists of land used for crops, pasture, timber production and other agricultural purposes.

⁸ Countries in the Organization of Petroleum Exporting Countries (OPEC) are: Algeria, Ecuador, Gabon, Indonesia, Iran, Iraq, Kuwait, Libya, Nigeria, Qatar, Saudi Arabia, Venezuela, and United Arab Emirates.

agriculture and forestry), net fixed assets were large shares of total assets. In industries that provide services (such as finance, except banking, and insurance), net fixed asset shares were small.

Total claims on affiliates' assets consisted of liabilities of \$90.7 billion (89 percent of the total) and owners' equity of \$40.8 billion. Of total liabilities, long-term debt accounted for 36 percent and trade accounts and notes payable for 31 percent. As was the case for total assets, differences among industries in the composition of total claims partly reflected industry characteristics. For example, in the industries mentioned where fixed assets were large shares of total assets, at least 70 percent of total claims were accounted for by owners' equity and long-term debt, reflecting the fact that fixed assets require relatively long-term financing.

Income Statement

U.S. affiliates' total income was \$183.6 billion (table 4). Almost all—99 percent—was sales (or gross operating revenues). Sales were largely accounted for by affiliates in wholesale trade and manufacturing. Within wholesale trade, the three largest industries—farm-product raw materials, metals and minerals, and motor vehicles—each accounted for 20 percent or more of total sales. Almost one-half of the sales in wholesale trade were attributable to affiliates of Japanese parents. These affiliates accounted for two-thirds of all sales in motor vehicles wholesale trade and three-fifths of all sales in metals and minerals wholesale trade. In manufacturing, 36 percent of total sales were by chemical affiliates.

Total costs and expenses were \$179.8 billion. Almost 97 percent were oper-

ating expenses (costs of goods sold plus selling, general, and administrative expenses). U.S. income taxes, at \$3.3 billion, were less than 2 percent. Net income after tax—total income less total costs and expenses—was \$3.8 billion.

Selected Financial Data by Transactor

Data by transactor provide, for selected liabilities and current receivables, a breakdown showing to whom affiliates' liabilities are owed and from whom affiliates' receivables are due. Transactors are classified by whether they are U.S., affiliated foreign, or unaffiliated foreign persons. For liabilities, transactors are further cross-classified by whether they are banks or others.

Selected liabilities

Data by transactor are available for affiliates' current liabilities ("trade ac-

Table 3.—Balance Sheet of U.S. Affiliates at Yearend 1977¹

(Millions of dollars)

	Total assets = liabilities and owners' equity	Assets							Liabilities and owners' equity					
		Trade accounts and notes receivable	Other current receivables	Inventories	Other current assets	Investments ²	Fixed assets, net	Other non-current assets	Liabilities					Owners' equity
									Total	Trade accounts and notes payable	Other current liabilities	Long-term debt	Other non-current liabilities	
All industries.....	134,348	25,376	3,227	22,246	12,491	17,619	42,048	6,368	80,745	38,481	28,163	32,636	3,528	46,736
Agriculture and forestry.....	799	84	5	81	117	46	389	73	521	63	135	291	34	279
Mining.....	2,986	127	26	297	80	479	2,203	167	1,586	118	237	1,210	122	1,099
Petroleum.....	26,534	3,148	763	2,066	680	617	18,690	1,402	18,090	8,282	1,971	9,400	1,470	8,725
Manufacturing.....	37,085	4,690	722	6,145	2,850	2,458	14,080	2,518	22,240	8,612	4,790	9,941	1,877	15,745
Food and kindred products.....	4,308	287	49	1,487	263	288	1,363	189	2,782	1,143	388	842	209	1,816
Paper and allied products.....	1,357	147	27	170	64	(³)	742	(³)	792	101	220	372	80	455
Chemicals and allied products.....	14,324	1,941	261	2,825	995	687	6,319	1,264	7,620	1,588	1,182	4,261	287	6,265
Industrial.....	10,094	1,411	188	1,828	396	684	4,785	770	6,775	1,113	707	3,291	424	4,250
Drugs.....	2,077	328	(³)	468	(³)	104	695	398	931	188	(³)	389	(³)	1,146
Other.....	3,058	278	(³)	682	(³)	102	668	129	1,133	337	(³)	549	(³)	551
Primary metal industries.....	4,000	782	68	1,066	244	289	1,064	193	2,045	788	322	1,527	157	1,668
Fabricated metal products.....	1,048	164	21	288	61	206	322	85	689	180	(³)	216	(³)	350
Machinery, except electrical.....	2,187	839	41	1,049	233	185	602	75	1,924	520	648	606	71	1,183
Electric and electronic equipment.....	2,294	958	30	1,045	117	165	340	200	1,858	263	668	525	268	1,441
Other.....	3,350	1,126	269	1,294	832	(³)	1,861	(³)	3,416	555	(³)	1,450	(³)	2,482
Wholesale trade.....	37,708	9,389	846	8,150	2,745	1,878	2,604	1,553	21,925	12,285	8,481	2,782	467	5,799
Motor vehicles and automotive parts and supplies.....	3,844	1,214	158	2,148	623	212	628	234	4,208	2,088	1,048	490	106	1,045
Metals and minerals.....	7,079	2,824	228	1,947	484	618	400	398	4,663	2,227	1,510	785	20	1,528
Farm-product raw materials.....	4,284	1,778	144	1,611	700	321	617	322	4,410	2,090	1,488	652	151	984
Other.....	9,597	3,452	343	3,445	961	198	961	436	7,664	4,219	2,406	885	155	2,288
Retail trade.....	3,474	495	39	1,189	445	8	1,108	241	2,291	748	397	989	187	1,182
Finance, except banking.....	7,283	2,809	483	110	173	2,618	43	980	6,682	668	(³)	1,508	(³)	1,701
Insurance.....	18,743	1,362	182	(³)	4,098	9,163	104	1,103	13,991	4,731	1,734	2,551	4,975	2,752
Real estate and combined offices.....	4,802	320	52	113	589	371	2,000	167	3,639	806	390	2,518	104	793
Other.....	3,726	778	68	113	533	122	1,063	181	3,570	654	(³)	1,124	(³)	1,156

¹ Less than \$400,000.

² Suppressed to avoid disclosure of data of individual companies.

³ Includes banks.

² Mainly security holdings and equity in unconsolidated businesses.

³ Fisheries are included in "other".

counts and notes payable" plus "other current liabilities") and long-term debt (table 5). These liabilities, which were \$81.2 billion, accounted for 90 percent of affiliates' total liabilities.

Most of the affiliates' current liabilities and long-term debt—82 and 85 percent, respectively—were to U.S. persons. A large portion of affiliates' current liabilities resulted from purchases of goods, materials, and supplies on credit. The U.S. share of these liabilities was large because the purchases were mainly from U.S. persons.⁶ The U.S. share of long-term debt was large probably because affiliates generally found borrowing in U.S. capital markets less expensive and more convenient than borrowing in foreign markets.

Virtually all of the U.S. liabilities were to unaffiliated persons.⁷ Most of affiliates' liabilities to foreign persons were to affiliated companies (foreign parents and foreign affiliates of foreign parents).

Bank borrowing accounted for a significantly larger portion of affiliates' U.S. liabilities than of their foreign liabilities. Bank borrowing was almost 40 percent of affiliates' current liabilities and 27 percent of their long-term debt to U.S. persons, but only 15 percent of both their current liabilities and long-term debt to foreigners.

By industry, about two-thirds of affiliates' liabilities to U.S. persons were accounted for by affiliates in wholesale trade, manufacturing, and petroleum

(table 6). Almost three-fourths of affiliates' liabilities to foreign persons were accounted for by affiliates in wholesale trade and manufacturing. In both industries, foreign liabilities were mainly to affiliated persons—in wholesale trade, 75 percent, and in manufacturing, 86 percent.

In most industries, the composition by maturity of affiliates' foreign and U.S. liabilities was about the same. For example, in wholesale trade, current liabilities were 88 percent of foreign liabilities and 87 percent of U.S. liabilities; in manufacturing, the shares were 48 percent and 52 percent, respectively. Exceptions were petroleum, where current liabilities were 64 percent of foreign liabilities but only 33 percent of U.S. liabilities, and retail trade, where current liabilities were 24 percent of foreign liabilities but 61 percent of U.S. liabilities.

6. This statement is based on a comparison of affiliates' imports with affiliates' "costs and expenses relating to operations" after the latter were adjusted to exclude major cost items, such as employee compensation and depreciation, which are not for purchases of goods, materials, or supplies.

7. The breakdown of affiliates' U.S. liabilities between affiliated and unaffiliated U.S. persons is not shown in the table because reported liabilities to affiliated U.S. persons were negligible.

Table 4.—Income Statement of U.S. Affiliates in 1977¹

(Millions of dollars)

	Income				Costs and expenses				Net income	Addenda	
	Total	Sales ²	Equity in net income of unconsolidated businesses	Other	Total	Operating expenses ³	U.S. income taxes	Other ⁴		Depreciation charges for the year	Depletion charges for the year
All industries.....	281,687	281,773	687	1,137	178,781	174,084	3,243	2,424	1,196	2,691	231
Agriculture and forestry ⁵	437	439	2	5	406	442	8	16	-28	15	(*)
Mining.....	1,230	1,178	(*)	(*)	1,287	1,359	17	81	5	72	4
Petroleum.....	25,615	25,317	158	180	24,207	22,740	1,800	427	1,948	928	112
Manufacturing.....	40,181	45,755	121	272	44,002	43,219	1,009	706	1,158	1,282	86
Food and kindred products.....	7,473	7,469	-13	25	7,383	7,269	97	16	39	53	(*)
Paper and allied products.....	1,627	1,622	2	4	1,590	1,486	48	54	51	51	(*)
Chemicals and allied products.....	14,027	14,491	60	85	14,141	13,326	340	480	455	548	(*)
Industrial.....	10,486	10,381	52	62	10,151	9,850	189	333	338	439	(*)
Drugs.....	1,902	1,887	-1	5	1,883	1,718	(*)	(*)	109	53	(*)
Other.....	2,140	2,123	(*)	18	2,097	2,007	(*)	(*)	44	74	(*)
Primary metal industries.....	6,497	6,417	22	78	6,329	6,166	116	50	128	181	2
Fabricated metal products.....	1,148	1,148	-7	7	1,186	1,147	33	8	-40	22	1
Machinery, except electrical.....	8,080	8,664	15	37	8,525	8,418	71	36	91	86	3
Electric and electronic equipment.....	4,718	4,676	18	27	4,632	4,498	120	33	120	90	(*)
Other.....	7,487	7,379	39	69	7,268	6,921	260	108	318	216	2
Wholesale trade.....	90,480	90,060	87	320	89,817	89,482	827	738	649	228	12
Motor vehicles and automotive parts and supplies.....	17,858	17,745	(*)	113	17,056	17,353	200	94	202	41	(*)
Metals and minerals.....	21,040	21,360	58	23	21,793	21,460	101	224	147	41	1
Farm-product raw materials.....	28,220	28,182	8	35	28,178	28,007	20	51	48	63	3
Other.....	25,442	25,283	10	150	25,190	24,530	287	306	342	84	8
Retail trade.....	7,040	7,509	3	40	7,480	7,221	181	184	154	112	(*)
Finance, except banking.....	1,370	1,166	184	30	1,187	1,032	48	46	202	4	(*)
Insurance.....	0,098	0,723	(*)	(*)	0,646	0,265	173	179	283	15	(*)
Real estate and combined offices.....	822	787	1	54	936	846	12	71	-186	79	3
Other.....	2,581	2,511	-2	51	2,625	2,670	78	78	36	128	(*)

* Less than \$500,000 (±).

¹ Suppressed to avoid disclosure of data of individual companies.

² Excludes banks.

³ Excludes returns, discounts, allowances, and sales and excise taxes.

⁴ Cost of goods sold plus selling, general, and administrative expenses.

⁵ Excludes minority interests in net income of consolidated affiliates.

⁶ Fisheries are included in "other".

Current receivables

Current receivables ("trade accounts and notes receivable" plus "other current receivables") were \$28.6 billion. Of this total, 84 percent were due from U.S. persons. The U.S. share was large because affiliates' sales, which generate most current receivables, were mainly to U.S. persons. (The ratio of affiliates' exports to affiliates' sales was 13 percent.)

Over 60 percent of affiliates' current receivables were accounted for by affiliates in wholesale trade and manufacturing. In wholesale trade, 74 percent of current receivables were due from U.S. persons and in manufacturing, 92 percent.

Landownership

Table 7 shows data on the gross book value of affiliates' land and on the number of acres of land and mineral rights owned and leased by affiliates (hereinafter referred to as acres owned and leased). The acreage data are further disaggregated to show separately the portion used for agricultural purposes, including timber production.²

2. The gross book value of land is its historical cost before deduction of accumulated depletion. It includes the value of leased land that has been capitalized. Acres owned and leased consist of surface rights and mineral rights to the land. Mineral rights are the right to extract the minerals located beneath the surface. They may be conveyed separately from surface rights and may be either developed or undeveloped. Acres of land and mineral rights owned or leased by an affiliate, as reported, reflect only the affiliate's interest in a particular tract of land when that interest is less than 100 percent.

For many industries in table 7, data on acres were suppressed to avoid disclosure of data for individual companies, as required by the confidentiality provisions of the International Investment Survey Act. The suppressions reflect the high degree of concentration of acres owned and leased among a few U.S. affiliates. The gross book values were less concentrated and, therefore, required fewer suppressions. The difference in concentration occurred because the gross book value of land owned by some affiliates was relatively small even though the number of acres owned was relatively large. For these affiliates, the cost per acre of land was low.

The gross book value of land held by affiliates at yearend 1977 was \$7.9 billion; affiliates owned 5.6 million acres and leased 28.8 million acres. Land used for agricultural purposes accounted for 3.1 million of the acres owned and 1.6 million of the acres leased. More than one-half of the agricultural land owned and more than one-fifth of that leased was probably timberland.

By industry

The distribution of the gross book value of land and of acres owned differed among industries. This difference occurred because the value of a given acre of land may vary according to its use and location and, due to historical cost valuation in combination with

Table 5.—Selected Financial Data of U.S. Affiliates at Yearend 1977, by Transactor¹

	Total	Position with U.S. persons ²	Position with foreign persons		
			All foreign persons	Affiliated foreign persons ³	Unaffiliated foreign persons
Current liabilities and long-term debt, total	\$1,207	\$7,001	\$3,006	\$0,721	2,883
Current liabilities ⁴	\$8,577	\$9,007	\$, 870	0, 003	2, 067
To banks	17, 014	16, 745	1, 200	0, 024	765
To others	31, 063	24, 102	7, 401	0, 079	1, 322
Long-term debt	23, 030	27, 694	6, 080	4, 117	618
To banks	8, 101	7, 308	733	173	500
To others	24, 929	20, 320	5, 203	3, 945	268
Current receivables ¹	28, 005	23, 888	5, 747	2, 469	2, 228

1. Excludes banks.
2. Foreign parents and foreign affiliates of foreign parents.
3. Equals the sum of "trade accounts and notes payable" and "other current liabilities" in the balance sheet.
4. Equals the sum of "trade accounts and notes receivable" and "other current receivables" in the balance sheet.

rising land prices, the date purchased. Also, leased land that has been capitalized (primarily land with mineral rights) is reflected in gross book value but not in acres owned.

Over three-fourths of the gross book value of land was accounted for by affiliates in petroleum (with 39 percent), manufacturing (22 percent), and real estate (17 percent). Most of the gross book value in petroleum probably represents land devoted to oil and natural gas exploration and extraction. In manufacturing, more than one-half

Table 6.—Selected Financial Data of U.S. Affiliates at Yearend 1977, Major Industry by Transactor¹

(Millions of dollars)

	Current liabilities and long-term debt, total	Position with U.S. persons			Position with foreign persons								
		Total	Current liabilities	Long-term debt	All foreign persons			Affiliated foreign persons ²			Unaffiliated foreign persons		
					Total	Current liabilities	Long-term debt	Total	Current liabilities	Long-term debt	Total	Current liabilities	Long-term debt
All industries	\$1,207	\$7,001	\$9,007	27,694	13,086	8,470	4,836	10,721	6,403	4,117	2,883	2,067	838
Agriculture and forestry ⁴	487	437	178	267	60	17	23	28	(D)	(D)	21	(D)	(D)
Minine	1,681	1,377	232	1,015	167	(D)	(D)	(D)	(D)	111	(D)	(D)	(D)
Petroleum	14,029	16,182	4,300	2,882	1,437	913	523	1,045	501	494	291	252	30
Manufacturing	20,303	18,726	8,311	7,518	4,543	2,102	2,351	3,000	1,854	2,045	648	226	206
Wholesale trade	22,468	10,304	14,083	2,120	5,255	4,013	042	3,064	2,422	532	1,304	1,100	111
Retail trade	2,124	1,680	1,024	045	455	110	345	(D)	103	(D)	(D)	8	(D)
Finance, except banking	6,437	6,089	3,410	1,440	410	904	183	282	200	(D)	134	61	70
Insurance	3,016	3,522	0,331	2,428	193	(D)	(D)	(D)	(D)	(D)	(D)	(D)	0
Real estate	3,136	3,104	740	2,424	671	162	420	367	81	276	204	61	144
Other	2,494	1,930	1,054	882	407	250	241	424	228	201	73	33	40

¹ Suppressed to avoid disclosure of data of individual companies.

2. Excludes banks.

3. Foreign parents and foreign affiliates of foreign parents.

4. Equals the sum of "trade accounts and notes payable" and "other current liabilities" in the balance sheet.

5. Fisheries are included in "other."

Table 7.—Land and Mineral Rights of U.S. Affiliates at Yearend 1977¹

	Gross book value ²	Land and mineral rights owned		Land and mineral rights leased	
		Total	Agricultural ³	Total	Agricultural ³
	Millions of dollars	Thousands of acres			
All industries.....	7,928	5,589	3,482	24,217	1,437
Agriculture and forestry ⁴	201	1,006	1,451	(b)	(b)
Mining.....	430	445	(b)	1,736	0
Petroleum.....	2,065	629	2	21,184	(*)
Manufacturing.....	1,706	1,619	1,198	4,882	660
Food and kindred products.....	370	34	7	(b)	(b)
Paper and allied products.....	(b)	1,004	985	(b)	(b)
Chemicals and allied products.....	571	232	(b)	(b)	4
Industrial.....	442	196	2	(b)	1
Drugs.....	20	(b)	1	(*)	(*)
Other.....	89	(b)	(b)	4	3
Primary metal industries.....	206	17	(b)	(b)	(b)
Fabricated metal products.....	22	4	(b)	(b)	(b)
Machinery, except electrical.....	36	(b)	(b)	(b)	(b)
Electric and electronic equipment.....	58	(b)	(b)	1	(b)
Other.....	(b)	184	124	(b)	(b)
Wholesale trade.....	160	289	(b)	28	(b)
Motor vehicles and automotive parts and supplies.....	83	8	(b)	1	0
Metal and minerals.....	81	(b)	(b)	(b)	(b)
Form-product raw materials.....	149	(b)	(b)	(b)	(b)
Other.....	128	28	1	2	(b)
Retail trade.....	169	2	(*)	1	0
Finance, except banking.....	16	(b)	(b)	0	0
Insurance.....	65	2	1	1	1
Real estate and combined offices.....	1,314	266	182	(b)	(b)
Other.....	411	(b)	(*)	3	0

¹ Less than 500 acres.² Suppressed to avoid disclosure of data of individual companies.³ Excludes banks.⁴ Gross book value of land carried in all balance sheet asset accounts.⁵ Land used for crops, pasture, timber production, and other agricultural purposes.⁶ Fisheries are included in "other".

of the gross book value was accounted for by affiliates in chemicals and food products. Because several of the largest of these affiliates had substantial secondary operations in petroleum, most of the gross book value probably represents land used for petroleum or natural gas extraction. The gross book value in real estate largely represents ownership of commercial land, such as office building sites.

Acres owned were primarily accounted for by affiliates in agriculture and forestry (30 percent), manufacturing (29 percent), and petroleum (12 percent). Within manufacturing, acres owned were mainly attributable to affiliates in paper products and "other" manufacturing.

Most of the land that was used for agricultural purposes was owned by affiliates in agriculture and forestry and in manufacturing. About two-thirds of the 1.5 million acres owned

by agriculture and forestry affiliates were in agriculture and one-third were in forestry. Of the land owned by affiliates in agriculture, almost two-thirds was owned by affiliates whose major activity was livestock production and whose land was probably mainly pasture or range. Almost all of the remainder was owned by affiliates whose major activity was crop production.

In manufacturing, 24 percent of the 1.2 million agricultural acres owned were in paper products and 11 percent were in "other industries," mainly lumber and wood products. In both industries, land was probably largely timberland.

Of the 28.8 million acres leased by affiliates, most were devoted to the exploration for and extraction of fuels. Almost three-fourths of the total was leased by affiliates in petroleum, primarily for oil and natural gas extrac-

tion. Of the remainder, over 15 percent was leased by affiliates in manufacturing and 6 percent by those in mining. In manufacturing, where affiliates in food products and chemicals accounted for most of the total, the land was largely for exploration for and extraction of oil, natural gas, and coal. In mining, land was probably largely devoted to coal and uranium exploration and extraction.

Of the 1.6 million leased agricultural acres, over 45 percent were leased by affiliates in agriculture and forestry. The remainder was leased by affiliates in manufacturing and real estate. In agriculture and forestry, the affiliates that leased were mainly engaged in livestock production, and the land was probably largely pasture or range.

By State and region

Table 8 shows the gross book value of affiliates' land, acres owned, and acres leased classified by the State and region in which the land was located. (The regions shown in the table are the eight BEA regions). The total gross book value of land shown in table 8 is \$0.3 billion less than that shown in table 7. The difference is the value of land carried in balance sheet accounts other than in "fixed assets" or "other current assets," which is included in table 7 but not in table 8.

The gross book value in "other territories and offshore," at \$1.2 billion, was larger than that in any individual State. It was primarily accounted for by affiliates in petroleum and represented the value of leased offshore acreage devoted to oil and natural gas extraction. Among States, gross book value was largest in Texas (\$0.9 billion), California (\$0.8 billion), and Florida (\$0.4 billion). Among regions, it was largest in the Southeast (\$1.7 billion).

States in which affiliates owned the largest number of acres were (ranked by size) Tennessee, Nevada, Colorado, Wisconsin, and New Mexico. In Tennessee, over one-half of the 0.4 million acres were owned by affiliates manufacturing paper products and were probably largely timberland. Among regions, the number of acres owned by affiliates was largest in the Southeast (1.9 million acres).

States in which affiliates leased the largest number of acres were North Dakota, Montana, Texas, and Wyo-

ming. By region, leased acreage was largest in the Rocky Mountains; the 9.4 million acres leased in this region

accounted for almost one-third of total land leased by affiliates.

Plant and Equipment

Table 8.—Land, Plant and Equipment at Yearend, and Employment of U.S. Affiliates for 1977, by State¹

	Gross book value of land ²	Land and mineral rights		Gross book value of plant and equipment	Employment ³
		Owned	Leased		
	Millions of dollars	Thousands of acres		Millions of dollars	Number
Total	7,449	1,589	30,847	52,712	1,122,297
New England	153	323	(⁴)	1,625	76,097
Connecticut.....	31	(⁴)	(⁴)	437	31,540
Maine.....	23	(⁴)	(⁴)	193	4,708
Massachusetts.....	45	(⁴)	(⁴)	322	57,068
New Hampshire.....	4	(⁴)	(⁴)	108	8,318
Rhode Island.....	0	(⁴)	(⁴)	185	3,582
Vermont.....	21	49	3	111	4,845
Midwest	778	441	181	7,825	277,311
Delaware.....	16	(⁴)	(⁴)	280	4,996
District of Columbia.....	28	(⁴)	(⁴)	28	1,241
Maryland.....	94	10	(⁴)	777	20,428
New Jersey.....	192	31	1	2,637	80,779
New York.....	286	135	(⁴)	2,403	111,473
Pennsylvania.....	282	239	70	1,741	57,954
Great Lakes	684	464	2,443	7,833	219,889
Illinois.....	172	(⁴)	412	2,393	68,532
Indiana.....	60	10	(⁴)	773	28,208
Michigan.....	233	72	(⁴)	2,136	26,711
Ohio.....	214	45	(⁴)	2,056	53,789
Wisconsin.....	30	(⁴)	45	716	28,724
Plains	211	439	2,846	3,358	55,361
Iowa.....	16	11	(⁴)	284	8,369
Kansas.....	34	33	128	185	3,424
Minnesota.....	62	240	28	1,674	18,784
Missouri.....	49	54	(⁴)	800	18,008
Nebraska.....	11	(⁴)	66	18	2,225
North Dakota.....	44	20	2,892	122	1,259
South Dakota.....	4	(⁴)	485	18	683
Southeast	1,711	1,565	3,346	12,622	241,187
Alabama.....	69	165	373	1,145	14,186
Arkansas.....	21	24	337	102	3,471
Florida.....	430	254	(⁴)	731	24,112
Georgia.....	138	281	53	1,335	28,952
Kentucky.....	48	35	242	555	14,281
Louisiana.....	222	123	1,138	2,610	17,753
Mississippi.....	113	55	645	360	5,377
North Carolina.....	122	153	78	1,522	42,232
South Carolina.....	181	242	(⁴)	1,633	28,478
Tennessee.....	169	428	129	1,124	25,499
Virginia.....	184	91	14	580	22,281
West Virginia.....	78	44	183	728	0,388
Southwest	1,166	784	3,176	6,285	77,943
Arizona.....	61	135	679	811	4,088
New Mexico.....	71	281	1,398	157	1,557
Oklahoma.....	130	23	549	508	6,552
Texas.....	980	265	2,438	5,319	63,815
Rocky Mountains	343	661	9,378	1,327	19,353
Colorado.....	129	(⁴)	1,829	345	9,826
Idaho.....	12	5	498	46	1,683
Montana.....	42	26	2,741	206	1,286
Utah.....	79	(⁴)	2,087	381	5,194
Wyoming.....	42	65	2,235	377	1,863
Pac West	554	427	2,146	4,915	127,150
California.....	765	289	863	2,245	110,522
Nevada.....	14	(⁴)	1,359	44	1,354
Oregon.....	30	(⁴)	(⁴)	121	4,461
Washington.....	20	26	(⁴)	594	10,083
Alaska	228	3	891	(⁴)	4,335
Hawaii.....	104	61	(⁴)	238	9,257
Puerto Rico.....	(⁴)	(⁴)	(⁴)	(⁴)	8,870
Other territories and offshore.....	1,242	(⁴)	1,463	1,239	7,404
Foreign ⁵	(⁴)	(⁴)	(⁴)	849	562

¹ Less than 500 acres.

² Suppressed to avoid disclosure of data for individual companies.

³ Excludes banks.

⁴ Land carried as "fixed assets" or "other current assets" in the balance sheet.

⁵ Average number of full-time and part-time employees during the year.

⁶ Refers to land and plant and equipment carried on the books of U.S. affiliates but located abroad, and employees of U.S. affiliates working abroad.

Table 9 shows the gross book value of U.S. affiliates' plant and equipment at yearend 1977, and affiliates' total plant and equipment expenditures and expenditures for new plant and equipment during 1977. Affiliates' petroleum and mining exploration and development expenditures are shown in table 10.²

² The gross book value of plant and equipment is the historical cost of plant and equipment, before the deduction of accumulated depreciation. Plant and equipment expenditures are expenditures that are made to acquire, add to, or improve plant and equipment charged to fixed asset accounts, including capitalized mining and petroleum exploration and development costs. Expenditures are on a gross basis—sales and other dispositions are not netted against them. The value of plant and equipment belonging to a U.S. business enterprise that is acquired by a U.S. affiliate is not included in the affiliate's plant and equipment expenditures. The acquisition is considered to be the acquisition of equity in, rather than the purchase of the plant and equipment of, the enterprise by the affiliate. However, the 1977 expenditures of the acquired enterprise are included. Petroleum and mining exploration and development expenditures are expenditures, whether expensed or capitalized, that are made to find and extract oil, natural gas, minerals, and metals.

Table 9.—Plant and Equipment of U.S. Affiliates in 1977¹

	Gross book value of plant and equipment at yearend	Expenditures for plant and equipment	
		Total	New
All industries	53,732	8,231	6,965
Agriculture and forestry ²	207	52	42
Mining.....	2,605	277	228
Petroleum.....	20,450	2,309	3,130
Manufacturing.....	26,892	2,785	2,340
Food and kindred products.....	1,798	267	214
Paper and allied products.....	1,079	144	150
Chemicals and allied products.....	9,488	1,180	954
Industrial.....	7,381	816	766
Drugs.....	933	304	78
Other.....	1,173	129	130
Primary metal industries.....	2,760	330	298
Fabricated metal products.....	444	58	56
Machinery, except electrical.....	1,052	187	177
Electric and electronic equipment.....	1,185	172	168
Other.....	2,912	415	267
Wholesale trade.....	3,287	528	481
Motor vehicles and automotive parts and supplies.....	676	110	99
Metals and minerals.....	474	54	81
Farm-product raw materials.....	775	39	73
Other.....	1,262	249	207
Retail trade.....	1,635	318	211
Finance, except banking.....	54	18	0
Insurance.....	243	24	17
Real estate and combined offices.....	2,424	784	206
Other.....	2,186	262	220

¹ Excludes banks.

² Fisheries are included in "other."

By industry

The gross book value of affiliates' plant and equipment was \$53.8 billion. Capital-intensive goods-producing industries accounted for most of the total; over three-fourths was in manufacturing and petroleum. Of the \$20.7 billion in manufacturing, almost one-half was in chemicals (mainly industrial chemicals).

Affiliates' total plant and equipment expenditures during 1977 were \$8.2

billion and were largely accounted for by affiliates in petroleum and manufacturing. Expenditures for new plant and equipment were \$6.9 billion, or 84 percent of total expenditures. In most industries, such expenditures were at least 80 percent of the total. An exception was real estate, where expenditures for new plant and equipment were only 26 percent of total expenditures. In this industry, spending was largely for purchases of existing commercial structures, such as office buildings.

Petroleum and mining exploration and development expenditures were \$1.6 billion. Petroleum affiliates' expenditures were 84 percent of the total. Manufacturing and mining affiliates accounted for most of the remainder.

By State and region

Of the total gross book value of plant and equipment, over 20 percent was in Alaska and Texas combined (table 8). Petroleum affiliates' plant and equipment was also largest in these two States. In Alaska, over 95 percent of the

total was owned by petroleum affiliates; their plant and equipment mainly consisted of facilities for extracting and transporting crude oil. In Texas, almost two-thirds of the total was owned by petroleum affiliates.

The gross book value of manufacturing affiliates' plant and equipment was largest in New Jersey and Texas. In both States, chemical affiliates accounted for most of the manufacturing total.

By region, the gross book value of affiliates' plant and equipment was largest in the Southeast (\$12.8 billion). In this region, over one-half of the total was in manufacturing.

Employment and Employee Compensation

Table 11 shows employment and employee compensation of U.S. affiliates. Employment is the average number of full-time and part-time employees on affiliates' payrolls during 1977. Employee compensation consists of wages and salaries and employee benefits. Wages and salaries are the monetary remuneration of employees—including salaries of corporate officers, commissions, and bonuses—and payments in kind. Employee benefits consist of employer contributions to employees' social insurance, private pension plans, and welfare funds.

Employment

By industry.—Affiliates employed 1,122,207 persons in 1977. Over one-half of the total was in manufacturing, largely in chemicals. Other industries where employment was relatively large were wholesale trade (with 12 percent of the total), retail trade (11 percent), and petroleum (9 percent).

Differences among industries between the distribution of employment and of the gross book value of plant and equipment reflect differences in the capital intensity of production (measured as the amount of capital used per worker). For example, petroleum affiliates, whose production is highly capital-intensive, accounted for 38 percent of the gross book value of plant and equipment but only 9 percent of the employment. Similarly, within manufacturing, chemical affiliates, whose production is also

Table 10.—Exploration and Development Expenditures of U.S. Affiliates in 1977

(Millions of dollars)	
	Expenditures
Total.....	1,643
Mining.....	62
Petroleum.....	1,364
Manufacturing.....	178
Other.....	20

Table 11.—Employment and Employee Compensation of U.S. Affiliates in 1977¹

	Employment ²	Employee compensation		
		Total	Wages and salaries	Employee benefits
	Number	Millions of dollars		
All industries.....	1,122,207	17,458	14,696	2,762
Agriculture and forestry ³	7,859	181	84	17
Mining.....	14,869	305	228	32
Petroleum.....	181,340	2,034	1,636	395
Manufacturing.....	617,847	8,889	8,278	1,661
Food and kindred products.....	79,845	1,165	968	267
Paper and allied products.....	14,743	258	217	42
Chemicals and allied products.....	182,822	2,178	2,088	410
Industrial.....	135,844	2,254	1,899	357
Drugs.....	24,280	588	420	85
Other.....	22,698	418	369	36
Primary metal industries.....	61,530	1,106	915	264
Fabricated metal products.....	18,863	377	282	45
Machinery, except electrical.....	40,040	687	718	168
Electric and electronic equipment.....	32,359	1,116	885	191
Other.....	10,068	1,818	1,569	253
Wholesale trade.....	141,067	2,501	1,988	317
Motor vehicles and automotive parts and supplies.....	21,244	375	327	48
Metals and minerals.....	19,894	387	334	62
Farm-product raw materials.....	22,582	385	224	68
Other.....	77,346	1,154	986	154
Retail trade.....	128,966	1,806	1,195	188
Finance, except banking.....	8,411	142	126	18
Insurance.....	24,464	472	416	57
Real estate and combined offices.....	5,927	190	96	15
Other.....	60,818	827	718	114

1. Excludes banks.

2. Average number of full-time and part-time employees.

3. Fisheries are included in "other".

highly capital-intensive, accounted for 46 percent of the plant and equipment but only 30 percent of the employment.

By State and region.—Affiliates' employment was largest in New York and California, each with 10 percent of the total, and New Jersey, with 7 percent. Manufacturing affiliates' employment was also largest in these three States. In New Jersey, 82 percent of total employment was in manufacturing; in California and New York, the percentages were 50 and 43, respectively. Wholesale trade affiliates' employment was largest in California. Employment of retail trade and petroleum affiliates was largest in New York and Texas, respectively.

By region, one-fourth of affiliates' employment was in the Mideast. Over one-half of the employees in this region were in manufacturing.

Compensation

Employee compensation was \$17.5 billion. Wages and salaries were \$14.7 billion, or 84 percent of compensation, and employee benefits were the remainder. Among industries, the wages and salaries share of total compensation ranged from 73 percent in mining to 90 percent in finance, except banking.

Annual compensation per employee was \$15,577. Compensation rates were highest in finance, except banking (\$22,156) and lowest in retail trade (\$10,127). In manufacturing, annual compensation per employee was \$15,929, ranging from \$13,750 in electrical machinery to \$18,087 in nonelectrical machinery. Differences in compensation rates may partly reflect differences among industries in the portion of total employment accounted for by part-time employees. Also, they may partly reflect differences among industries in the portion of total employment accounted for by production workers, because annual compensation rates of production workers differ considerably from those of nonproduction workers. One way to correct for these differences is to compare hourly wage rates of production workers alone.

Hourly wage rates

Table 12 shows employment and also wages and salaries of production and nonproduction workers for manufac-

turing affiliates only.¹⁰ For production workers, data on hours worked and hourly wage rates are shown as well.

Production workers in manufacturing are the employees, up to and including working foremen, who are involved in the physical production, handling, and storage of goods and related services. Hours worked are annual hours per production worker. They exclude hours paid for holidays, vacations, sick leave, and other paid leave. Hourly wage rates of production workers were calculated by dividing annual wages and salaries by annual hours worked.

The hourly wage rate of production workers in manufacturing was \$5.81. In chemicals, which had the largest number of production workers, the rate was \$5.71. Wage rates were highest in nonelectrical machinery (\$6.98) and lowest in electrical machinery (\$4.54).

Differences among industries in hourly wage rates may partly reflect differences in the average skill levels of production workers. For example, in nonelectrical machinery, most production workers were probably employed in fabrication and milling of metals,

10. Industries other than manufacturing are not shown in table 12 because of the uneven quality of the data reported to BEA for nonmanufacturing affiliates. Many of these affiliates do not normally distinguish between production workers and nonproduction workers in their own records. Also, some of these affiliates' employees, such as salesmen in wholesale and retail trade, who are classified as production workers receive annual salaries rather than hourly wages, so that their hours worked are not recorded.

operations that require relatively high skill levels. In electrical machinery, on the other hand, most production workers were probably employed in assembly of electronic components, an operation that requires somewhat lower skill levels. Differences among industries may also reflect differences in the degree to which production workers were unionized, the amount of overtime worked, and the geographic location of manufacturing operations.

Merchandise Trade

Data on U.S. affiliates' merchandise trade are presented in table 13. Affiliate trade refers to the physical movement of goods between the United States and foreign countries, rather than to changes in the ownership of goods. For example, if the title to goods is transferred by a U.S. affiliate to its foreign parent, but the goods remain in the United States, no export should be reported. Similarly, if a U.S. affiliate takes title to goods located outside the United States that are not actually shipped to the United States, no import should be reported. Exports and imports are valued free alongside ship (f.a.s.) at the port of exportation. The data are classified by industry of affiliate; trade data disaggregated by commodity were not collected in the sample survey.

Table 12.—Employment and Wages and Salaries of U.S. Manufacturing Affiliates in 1977

	Employment ¹			Wages and salaries			Addenda for production workers	
	Total	Production workers	Nonproduction workers	Total	Production workers	Nonproduction workers	Annual hours per worker	Wages and salaries per hour
	Number			Millions of dollars			Hours	Dollars
Manufacturing, total.....	687,647	387,844	299,803	8,279	4,279	3,999	1,982	5.81
Food and kindred products.....	79,346	53,921	25,425	558	550	88	1,016	6.41
Paper and allied products.....	14,743	11,173	3,571	217	159	57	2,064	6.35
Chemicals.....	182,828	97,984	84,844	2,068	1,194	1,534	2,028	5.71
Industrial.....	155,844	78,454	77,390	1,899	881	997	2,037	5.87
Drugs.....	24,366	9,950	14,416	269	117	308	1,887	6.82
Other.....	22,618	9,580	13,038	269	125	204	1,990	6.98
Primary metal industries.....	61,539	44,124	17,415	918	577	339	1,941	6.74
Fabricated metal products.....	18,683	12,782	5,901	263	185	77	2,048	6.87
Machinery, except electrical.....	49,940	37,928	12,012	719	381	338	1,863	6.98
Electrical and electronic equipment.....	81,269	45,523	35,746	985	394	591	1,868	4.54
Other.....	190,495	94,178	96,317	1,563	958	605	1,916	5.21

1. Average number of full-time and part-time employees.

Table 13.—Merchandise Trade of U.S. Affiliates in 1977, by Industry Affiliate¹

(Millions of dollars)

	Exports ²			Imports ³		
	Total	To affiliated foreigners ⁴	To unaffiliated foreigners	Total	From affiliated foreigners ⁴	From unaffiliated foreigners
All industries.....	24,136	11,844	12,292	42,541	28,364	14,177
Agriculture and forestry ¹	17	(D)	(D)	1	1	(*)
Mining.....	286	(D)	(D)	129	(D)	(D)
Petroleum.....	812	586	226	8,126	2,128	2,898
Manufacturing.....	2,160	1,275	1,885	4,856	4,075	881
Food and kindred products.....	214	113	204	758	422	336
Paper and allied products.....	(D)	(D)	(D)	274	(D)	(D)
Chemicals and allied products.....	264	375	528	894	730	164
Industrial.....	453	169	450	681	574	107
Drugs.....	120	(D)	(D)	106	(D)	(D)
Other.....	162	(D)	(D)	124	(D)	(D)
Primary metal industries.....	(D)	(D)	171	718	592	126
Fabricated metal products.....	20	9	14	181	151	30
Machinery, except electrical.....	530	315	374	745	681	64
Electric and electronic equipment.....	334	141	193	842	826	16
Other.....	474	225	249	556	(D)	(D)
Wholesale trade.....	19,415	8,122	10,293	30,568	21,804	8,764
Motor vehicles and automotive parts and supplies.....	(D)	(D)	(D)	11,063	(D)	(D)
Metals and minerals.....	4,093	2,812	1,281	8,457	4,471	3,986
Farm-product raw materials.....	11,864	5,787	6,077	4,208	3,774	434
Other.....	(D)	(D)	(D)	8,823	(D)	(D)
Retail trade.....	106	(D)	(D)	262	128	134
Finance, except banking.....	(D)	0	(D)	(D)	2	(D)
Insurance.....	(*)	(*)	8	(*)	(*)	2
Real estate and combined offices.....	(D)	(D)	(D)	(D)	(D)	(D)
Other.....	28	11	17	(D)	45	(D)

* Less than \$500,000.

D Suppressed to avoid disclosure of data of individual companies.

1. Excludes banks.

2. Exports are valued f.a.s. at the U.S. port of exportation; imports are valued f.a.s. at the foreign port of exportation.

3. Foreign patents and foreign affiliates of foreign parents.

4. Fisheries are included in "other".

U.S. affiliates had exports of \$24.1 billion and imports of \$42.5 billion in 1977. About one-half of the exports were to affiliated foreigners and two-thirds of the imports were from affiliated foreigners. Wholesale trade affiliates accounted for most of both exports and imports.

Wholesale trade affiliates' exports, at \$19.4 billion, were 80 percent of total exports. Within wholesale trade, affiliates in farm-product raw materials and in metals and minerals accounted for 57 and 21 percent of the total, respectively. Almost two-thirds of the exports in farm-product raw materials were to unaffiliated foreigners, and were probably mainly grain shipments by French- and Japanese-owned affiliates; the former shipped over one-half and the latter over one-fourth of the total. In

metals and minerals, exports were mainly to affiliated foreigners. Japanese-owned affiliates shipped four-fifths of the total.

Wholesale trade affiliates' imports, at \$30.6 billion, were 72 percent of total imports. Within wholesale trade, 36 percent were accounted for by affiliates in motor vehicles and 22 percent by affiliates in metals and minerals. About four-fifths of the imports in motor vehicles were from affiliated foreigners. Japanese-owned affiliates accounted for two-thirds and German-owned affiliates for one-fourth of the industry total. Two-thirds of the imports in metals and minerals were from affiliated foreigners. About one-half of the imports in this industry were attributable to Japanese-owned affiliates.

Research and Development Expenditures

Expenditures by affiliates for research and development (R. & D.) consist of all costs incurred for R. & D., including depreciation, wages and salaries, taxes, costs of materials and supplies, and allocated overhead costs. R. & D. performed by others for affiliates is included; R. & D. performed by affiliates for others is excluded.

Affiliates' R. & D. expenditures were \$898 million (table 14). Spending was mainly by affiliates in manufacturing (79 percent of the total) and petroleum (12 percent). In manufacturing, affiliates in chemicals accounted for 65 percent and those in machinery for 19 percent of expenditures.

By country, affiliates with parents in the developed countries accounted for over 83 percent of the total. Spending by affiliates with parents in the Netherlands, at \$230 million, was particularly large.

Growth, 1974-77

Data similar to those presented in this article for 1977 were collected in BEA's 1974 benchmark survey of foreign direct investment in the United States. Differences in coverage and definitions between the 1974 benchmark survey and the 1977 sample survey, as well as revisions to the 1974 data made after publication, preclude direct comparison of published data from the two surveys. However, it is possible to adjust 1974 data to improve comparability. (See the technical note for a discussion of the differences between the 1974 and 1977 data and a description of the adjustments to the 1974 data.) The adjusted 1974 data and the 1977 data from the sample survey were used to calculate growth rates for a number of key items at the all-industry level. The resulting compound annual rates of growth for 1974-77 are shown in the accompanying tabulation.

	Percent
Total assets.....	12.8
Net fixed assets.....	15.0
Sales.....	16.8
Employee compensation.....	12.0
Employment.....	4.6
Acres of land and mineral rights owned.....	5.8

The considerable variation in annual rates of growth among the items reflected in part differential effects of inflation, changing industry mix, and cyclical economic developments. The lowest rate of growth—4.6 percent—was in employment. The next lowest—6 percent—was in acres of land owned. Because neither employment nor acres owned are measured in dollars, their growth rates were not directly affected by inflation. The growth rates of each of the other items—total assets, net fixed assets, sales, and employee compensation—were directly affected by inflation.

Growth in affiliate employment was slower than 4.5 percent if a rough adjustment is made to account for a difference in how employment was measured in the 1974 and 1977 surveys. (A more precise adjustment is not possible because necessary data are not available.) In the 1974 survey, employment was measured as the number of full-time equivalent (FTE) employees. FTE employment counts a part-time employee as a percentage of a full-time employee, with the percentage depending on the portion of a full-time schedule worked. In 1977, employment was measured as average full-time and part-time (FT-PT) employment; by this measure, part-time employees are counted on the same basis as full-time employees. As a result, employment in the 1974 survey is lower than it would have been if measured on the 1977 basis. Although FT-PT employment of affiliates in 1974 is not known, it can be roughly estimated using data for all U.S. businesses (except banks). Based on this rough estimate, growth in affiliate employment was about 3 percent.¹¹

Growth in affiliate employment outpaced the 1.6-percent annual rate of growth in employment of all U.S. businesses (except banks) for the 1974-77 period. As a result, affiliates accounted for a slightly higher portion of

Table 14.—Research and Development Expenditures of U.S. Affiliates in 1977^a
(Millions of dollars)

	Expenditures
Total	709
By industry	
Agriculture and forestry ²	3
Mining.....	18
Petroleum.....	111
Manufacturing.....	709
Food and kindred products.....	37
Paper and allied products.....	1
Chemicals and allied products.....	163
Industrial.....	180
Drugs.....	(b)
Other.....	(b)
Primary metal industries.....	15
Fabricated metal products.....	29
Machinery, except electrical.....	61
Electric and electronic equipment.....	86
Other.....	45
Wholesale trade.....	33
Motor vehicles.....	(b)
Metals and minerals.....	(b)
Farm-product raw materials.....	2
Other.....	24
Retail trade.....	(b)
Finance, except banking.....	(c)
Insurance.....	1
Real estate and combined offices.....	2
Other.....	(b)
By country	
Developed countries	743
Canada.....	67
Belgium and Luxembourg.....	19
France.....	37
Germany.....	86
Netherlands.....	239
United Kingdom.....	125
Switzerland.....	154
Japan.....	70
Other.....	12
Developing countries	36
Latin America.....	183
Other.....	8

^a Less than \$500,000.

^b Suppressed to avoid disclosure of data of individual companies.

^c Excludes banks.

² Fisheries are included in "other".

employment for all U.S. businesses (except banks) in 1977 than in 1974.

Employee compensation of affiliates grew at an annual rate of 13.2 percent. In contrast, employee compensation for all U.S. businesses (except banks) grew at a 9.9-percent rate over the same period.¹²

Total assets grew at an annual rate of 12.9 percent; net fixed assets grew somewhat faster, 15.7 percent. Both rates reflect the impact of inflation. The

higher rate for net fixed assets partly reflects the effect of major expansions by several existing affiliates. These affiliates had larger increases in net fixed assets than in other assets, such as inventories and receivables, because new production associated with these expansions was not yet fully underway by 1977. Also, relatively large purchases of land and other real estate would tend to raise net fixed assets relative to other asset categories.

Sales grew at an annual rate of 11.0 percent, somewhat slower than total assets and net fixed assets. Inflation would be expected to have a greater impact on sales, which are valued in current dollars, than on net fixed assets (and, therefore, on total assets), which are valued at historical cost. That sales grew more slowly than net fixed assets in part reflects the major expansion by existing affiliates mentioned above, which, by 1977, had not yet been accompanied by corresponding increases in sales. Similarly, affiliates newly established since 1974 may have added substantial net fixed assets to the affiliate total but may not have yet contributed significantly to sales. Finally, sales may have grown more slowly than net fixed assets because land and other real estate purchases directly increase net fixed assets but may have a limited impact on sales.

Technical Note

The data in this article are for the sample of U.S. affiliates of foreign companies that reported in BEA's Interim Survey of Foreign Direct Investment in the United States, 1977. Similar and more detailed data for the universe of all U.S. affiliates were collected in BEA's 1974 benchmark survey of foreign direct investment in the United States. There are differences in coverage and definitions between the two surveys, in addition, revisions to the 1974 universe data were made after publication. This note discusses the differences and describes adjustments to the 1974 data that are needed to improve comparability. Estimates of the portion of the 1974 universe of all U.S. affiliates covered by the sample and of 1974-77 growth are provided, based on adjusted data for a number of key items.

11. FT-PT and FTE employment for all U.S. businesses (except banks) are from national income and product account tables 6.7 and 6.8, respectively, in the July 1978 Survey. The difference between FT-PT and FTE employment for all U.S. businesses (except banks) varied widely by industry. These differences were used in deriving the estimate of 1974 affiliate employment on an FT-PT basis. Comparison of the 1974 estimate and 1977 reported data for affiliate FT-PT employment results in the 3-percent growth rate noted above.

12. 1974-77 growth in employment and employee compensation for all U.S. businesses (except banks) are from national income and product account tables 6.7 and 6.8, respectively, in the July 1978 and July 1979 Surveys.

Table A.—Coverage of 1977 Sample and 1974-77 Growth

	Total assets	Fixed assets, net	Sales	Em- ployee compen- sation	Employ- ment	Land and mineral rights owned
	Millions of dollars				Number	Thou- sands of acres
1974 data for:						
1. Universe as published.....	174,272	23,888	148,771	13,299	1,883,431	4,694
2. Less: net effect of definitional and statistical revisions after publication.....	32,777	28	3,825	190	5,121	40
a. Change in consolidation rules.....	13,031		5,855			
b. Other.....	9,146	28	-1,699	190	5,121	40
3. Less: banks.....	54,753	299	4,317	288	25,994	(*)
4. Less: deaths.....	0,990	3,073	5,790	895	66,353	678
5. Equals: affiliates that reported in 1974 survey that were potentially subject to reporting in 1977 survey.....	82,745	23,928	122,849	12,088	983,673	4,120
6. Less: affiliates that did not report in 1977 survey.....	5,378	1,392	4,089	772	69,641	168
7. Equals: affiliates that reported in both 1974 and 1977 surveys.....	83,870	24,670	127,681	11,320	914,123	4,061
1977 data for:						
8. Affiliates that reported in both 1974 and 1977 surveys.....	118,395	37,403	166,171	14,309	978,899	4,503
9. Plus: births.....	14,189	4,616	15,009	3,099	146,698	1,077
10. Equals: all affiliates that reported in 1977 survey.....	130,554	42,018	181,178	17,408	1,125,597	5,580
Sample coverage:						
11. 1974 data for sample as percent of 1974 data for poten- tial universe (line 7÷line 5).....	93.5	94.5	94.2	92.4	92.9	96.9
Growth from 1974 to 1977, including deaths in the data for 1974 and births in the data for 1977:						
12. Percent change $\left[\frac{\text{line 10} - (\text{line 4} + \text{line 7})}{\text{line 4} + \text{line 7}} \right]$	43.7	51.2	36.1	44.9	14.2	19.1
13. Compounded annual rate of growth.....	12.0	16.4	10.5	12.9	4.5	4.0

*Less than 500 acres.

1. To improve comparability with 1974 data, 1977 data for total assets are adjusted to eliminate current receivables due from U.S. parents and U.S. affiliates of foreign parents (see footnote 15 to text). The amount of the adjustment is \$113 million in line 8, \$73 million in line 9, and \$985 million in line 10. The sum of the adjustment to line 10 and the total asset figure shown in line 10 (\$180,554 million) equals the value of total assets shown in table 1 (\$181,539 million).

2. If a rough adjustment is made to account for a difference in how employment was measured in the 1974 and 1977 surveys, annual growth in employment was about 3 percent. See text for discussion.

The first panel of table A (lines 1-7) shows 1974 benchmark survey data for the key items and the adjustments needed to improve comparability with 1977 sample data. Line 1 shows 1974 benchmark data, as published.¹² Line 2 is the net adjustment for definitional and statistical revisions made after publication of the 1974 data. It consists of two parts—adjustments to reflect a change in consolidation rules (line 2a) and other adjustments (line 2b).

In the 1974 benchmark survey, reporting on a consolidated basis was generally not permitted, i.e., a separate report was required from each U.S. affiliate. In the 1977 sample survey,

U.S. affiliates were required to report on a consolidated basis; the consolidation for a given affiliate had to include all other affiliates owned more than 50 percent by that affiliate. The change in rules was made to eliminate duplication of interaffiliate transactions in certain items, as well as to reduce respondents' reporting burden.

Of the items shown, the change in consolidation rules affects only total assets and sales. The 1974 data for these items are adjusted by subtracting from the published totals available data on interaffiliate assets and sales that would have been largely eliminated in consolidation if the 1974 reports had been filed on a consolidated basis. For total assets, the adjustment of \$13,631 million is the sum of (1) equity investment in other U.S. affiliates (\$9,575 million) and (2) current re-

ceivables (\$2,759 million) and non-current receivables and investments (\$1,297 million) due from U.S. parents and U.S. affiliates of foreign parents. For sales, the adjustment of \$5,565 million represents the sum, across all affiliates, of sales by each affiliate to other U.S. affiliates of its foreign parent.¹⁴

The change in consolidation rules also affected industry classification of affiliates. In both the 1974 benchmark and 1977 sample surveys, affiliates were classified by industry based on the distribution of their sales. In the 1977 sample survey, affiliates reporting as one consolidated entity would have been classified in the single industry in which that consolidated entity's sales were largest. In the 1974 benchmark survey, on the other hand, the same affiliates may have been classified in a number of different industries, determined by the industries in which the individual affiliates' sales were largest. Thus, data below the all-industries level are not comparable for 1974 and 1977.

Line 2b represents the net amount of all other definitional and statistical revisions made after publication of the 1974 benchmark data. Definitional changes include: (1) the removal from direct investment of U.S. branch stations, ticket offices, and port facilities of foreign airlines and ship operators that service only their foreign parent companies; and (2) the removal from foreign direct investment in the United

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14. Data used to adjust total assets are from tables G-7 and H-1 in the 1974 benchmark survey publication cited in footnote 13. Data used to adjust sales were collected in the 1974 benchmark survey but were not published.

Subtracting the full amount of interaffiliate assets and sales probably overadjusts the 1974 data because a portion may reflect transactions with unconsolidated U.S. affiliates that would not have been eliminated during consolidation. Overadjustment of the 1974 data would lead to overstate estimated 1974-77 growth in total assets and sales. For total assets, any such overadjustment is partly offset by subtracting from 1977 total assets 1977 current receivables due from U.S. parents and U.S. affiliates of foreign parents (see footnote 1 to table A). Data on equity investment in other U.S. affiliates and on non-current receivables and investments due from U.S. parents and U.S. affiliates of foreign parents were not collected in 1977. For sales, an adjustment to 1977 data is possible because data on interaffiliate sales were not collected. For both total assets and sales, the impact of overadjustment on the growth shown in lines 12 and 13 of table A is believed to be small.

12. These data are as published in U.S. Department of Commerce, *Foreign Direct Investment in the United States: Report of the Secretary of Commerce to the Congress in Compliance with the Foreign Investment Study Act of 1974* (Public Law 93-570), Volume 2, April 1975.

(Continued from page 44)

States of data for a large U.S.-incorporated petroleum company operating in the Middle East. (For a discussion of the latter change, see the October 1977 SURVEY, p. 36.) Statistical revisions include corrections to the published 1974 data and inclusion of data from reports received after publication.

Line 3 shows 1974 data for U.S. affiliates in banking. Bank affiliates were not covered by the 1977 sample survey because similar data for them were collected by the Federal Reserve System.¹⁵

"Deaths," shown in line 4, represent 1974 data for U.S. companies that were affiliates (owned 10-percent or more by foreigners) in 1974 but were liquidated or sold, or those in which foreign ownership was reduced to less than 10 percent, by 1977. Because these companies would not have been part of the 1977 direct investment universe, their data were excluded from the 1974 benchmark data for purposes of estimating the coverage of the universe accounted for by the 1977 sample.

15. See footnote 2.

After all adjustments, the remainder, shown in line 5, represents revised 1974 data for all affiliates that potentially could have reported in 1977. Line 6 shows 1974 data for affiliates in this group that did not report in 1977, primarily because they were exempt¹⁶ or were liquidated or sold after 1977, but before 1977 report forms were mailed out, so that a report could not be secured. 1974 data for U.S. affiliates that reported in both the 1974 and 1977 surveys are shown in line 7.

The second panel of table A (lines 8-10) shows 1977 sample survey data. Line 8 shows data for affiliates that reported in both the 1974 and 1977 surveys. Line 9, "births," shows data for

affiliates that entered the direct investment universe after 1974. Line 10, the sum of lines 8 and 9, is total sample data as published in this article.

The portion of the universe covered by the 1977 sample is estimated by dividing 1974 data for affiliates that reported in both the 1974 and 1977 surveys (line 7) by 1974 data for all affiliates that were potentially subject to reporting in the 1977 survey (line 5). The results show that coverage of the sample was quite high—ranging from 92.9 percent for employment to 96.2 percent for sales. Thus, the sample data presented in this article, while not expanded to universe levels, are reasonable estimates of total foreign direct investment activity in the United States in 1977.

Growth from 1974 to 1977 is shown in line 12. For each item, it is calculated as the percent increase in 1977 data for affiliates that reported in the sample survey, including data for "births," over 1974 data for affiliates that reported in both the 1974 and 1977 surveys plus 1974 data for "deaths." Line 13 shows compound annual rates of growth.

16. In the 1977 survey, a U.S. affiliate, as consolidated, was exempt if:

a. Each of the following three items for the U.S. affiliate (net the foreign parent's share) was between -\$4 million and +\$6 million during 1977:

(1) Total assets,
(2) Net sales or gross operating revenues, excluding sales taxes, and
(3) Net income after provision for U.S. income taxes; and

b. The U.S. affiliate did not own 200 acres or more of U.S. land during 1977. (If the U.S. affiliate owned 200 acres or more of U.S. land, it was required to report regardless of the value of its assets, sales, or net income.)